



**To:**

Air and Radiation Docket and Information Center  
Environmental Protection Agency  
Mailcode 2822T  
1200 Pennsylvania Avenue, NW  
Washington, D.C. 20460

**From:**

Thomas A. Schatz  
President  
Citizens Against Government Waste  
1301 Connecticut Avenue, Suite 400  
Washington, D.C. 20036

**Re:**

Regulating Green House Gases Under the Clean Air Act  
**PUBLIC COMMENT – DOCKET ID # EPA-HQ-OAR-2008-0318**

On behalf of the 1.2 million members and supporters of Citizens Against Government Waste (CAGW), I urge the Environmental Protection Agency (EPA) not to make an endangerment finding with respect to greenhouse gas (GHG), and in particular carbon dioxide (CO<sub>2</sub>), emissions under Section 202 of the Clean Air Act (CAA). CAGW firmly opposes regulating greenhouse gases under the Clean Air Act as proposed in the Advanced Notice of Proposed Rule Making. I ask that you include these comments as part of Docket ID No. EPA-HQ-OAR-2008-0318.

**Who We Are**

CAGW is a private, non-partisan, non-profit organization representing more than 1.2 million members and supporters nationwide. CAGW's mission is to eliminate waste, mismanagement, and inefficiency in the federal government. Founded in 1984 by the late industrialist J. Peter Grace and syndicated columnist Jack Anderson, CAGW is the legacy of the President's Private Sector Survey on Cost Control, also known as the Grace Commission.

**Comment**

CAGW is particularly concerned that if the EPA makes an endangerment finding for GHG, it will insert itself into an area that should only be the purview of elected officials, namely Congress, and not by unelected bureaucrats. EPA's involvement in regulating GHG will create a bureaucratic nightmare for businesses and other entities. It will drive up the budgets of the EPA plus state and local regulatory agencies and increase the size of these bureaucracies. The proposed regulation, if undertaken, will cost businesses and taxpayers billions of dollars. A recent study by the Heritage Foundation has estimated the cost of implementing the regulation

would result in gross domestic product loss of nearly \$7 trillion by 2029.<sup>1</sup> This study used the least onerous assumptions for CAA regulation impacts, so the likely costs will be even higher.

Another recent issue paper released by the Heritage Foundation entitled, *Impact of CO<sub>2</sub> Restrictions on Employment and Income: Green Jobs or Gone Jobs?*, shows that reducing CO<sub>2</sub> emission is really about reducing the nation's use of energy, particularly the use of fossil fuels. While some "green" jobs may be created, for example companies that make more efficient heating or cooling equipment, far more jobs will be lost due to the costs necessary to comply with reducing GHG emissions. The argument that regulating CO<sub>2</sub> will create jobs is akin to declaring that breaking lots of windows create jobs by helping window manufacturers.<sup>2</sup> Perhaps the thousands of new bureaucratic jobs that will be created in order to enforce the new GHG regulations could also be argued as green jobs; unfortunately taxpayers will pay more and Americans will have a lower standard of living to pay for them.

CAGW also believes that ongoing scientific research will ultimately prove that global warming and cooling trends are natural occurrences, that any activity to reduce CO<sub>2</sub> in an attempt to lower the earth's temperature will be a wasted use of tax dollars, and an unnecessary and expensive government intervention in the private markets. According to Patrick J. Michaels, a research professor of environmental sciences at the University of Virginia and a senior fellow at the Cato Institute, it has been demonstrated by many scientists, that if every signatory adhered to the requirements under the Kyoto Protocol, the surface temperature of the earth would only be reduced by 0.07°C or 0.13°F in fifty years.<sup>3</sup> EPA has conducted studies that show that the emissions by China and India alone more than offset any possible emissions reductions in the U.S. It is curious that EPA did not provide this documentation in the ANPR.

The most troublesome problem with using the CAA to control CO<sub>2</sub> is it is emitted in much greater quantities from a broad range of sources, unlike other gases that are covered under the Act. Therefore, the thresholds for regulating CO<sub>2</sub> under the various sections of the CAA, such as obtaining Prevention of Significant Deterioration (PSD) permits, Title V, and the Hazardous Air Pollutant (HAP) program, will be reached quickly.

In addition to regulating mobile CO<sub>2</sub> emitters, such as trucks and cars, the proposed regulations would require stationary source entities that emit 250 tons per year (TPY) of CO<sub>2</sub> to comply with the CAA. This action would impose a costly hidden tax on millions of businesses. For example, according to the study, *A Regulatory Burden – The Compliance Dimension of Regulating CO<sub>2</sub> as a Pollutant*, at least one million medium size to large commercial buildings emit enough CO<sub>2</sub> to become regulated under the EPA. For example, it would mean one-fifth of all food services, one-third of healthcare facilities, one half of buildings in lodging, and 10 percent of buildings used for religious purposes would be affected. Include these massive figures with the almost 200,000 manufacturing plants and 20,000 farms that would trigger the 250 TPY.<sup>4</sup>

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<sup>1</sup> Kreutzer, Ph.D., David and Campbell, Ph.D., Karen, "CO<sub>2</sub> – Emission Cuts: The Economic Costs of the EPA's ANPR Regulations," The Heritage Foundation, Washington, D.C., Oct. 29, 2008, p. 1.

<sup>2</sup> Kreutzer, Ph.D., "Impact of CO<sub>2</sub> Restrictions on Employment and Income: Green Jobs or Gone Jobs?," The Heritage Foundation, Washington, D.C., Nov. 5, 2008.

<sup>3</sup> Patrick J. Michaels, "Meltdown: The Predictable Distortion of Global Warming by Scientists, Politicians, and the Media," Cato Institute 2004, Washington, D.C., page 19.

<sup>4</sup> Mark Mills, Portia Mills, *A Regulatory Burden: The Compliance Dimension of Regulating CO<sub>2</sub> as a Pollutant*, U.S. Chamber of Commerce, September 2008, p. 3.

*CAGW, EPA-HQ-OAR-2008-0318*

Stationery facilities that have never been regulated before under the EPA would encounter and have to cope with a number of rules and controls under several measures contained in the CAA, such as the PSD pre-construction permit programs; reporting, monitoring, and being certified yearly for a permit under Title V; and dealing with hard to understand technology requirements under the HAP program.

Trying to stay in business may be next to impossible if the EPA establishes National Ambient Air Quality Control Standards (NAAQS) for GHG. As you know, NAAQS determine how many parts per million of a certain pollutant is permitted in ambient air but since plaintiffs in *Massachusetts v EPA* and other petitions filed have declared that the current level of GHG are already harming public health, the EPA will be compelled to make sure the new NAAQS for GHG are below current levels. This action could force American businesses to practically come to a stand still because these standards could not be met. The nation would suffer greatly because the regulations will not be able to force other countries, such as China or India, to lower their emissions and thus atmospheric concentration of CO<sub>2</sub>. EPA knows that it has no control over emissions outside the United States and in fact, the entire premise of the ANPR is faulty because of the growing emissions from China and India.

If an endangerment finding is reached for GHG, not only will businesses be placed under incredible financial and bureaucratic burdens, regulatory agencies such as the EPA and those that are found in the states and local governments, will face daunting challenges, such as issuing the millions of permits that will be required by CO<sub>2</sub> emitting entities. The likely result is the government regulatory bodies will be unable to comply in a timely manner, face huge budget shortfalls, and staff shortages. These consequences will no doubt lead to tax increases for all citizens in order to expedite and properly monitor CO<sub>2</sub> emissions. Meanwhile, businesses that will need the permits will undoubtedly face bureaucratic delay in obtaining them and therefore, will be unable to move forward in their plans to operate or expand. Their activities will be forced to come to a halt until regulatory agencies can meet the demand for the wide variety of permits that will be required.

CAGW appreciates the fact that the EPA, by writing the ANPR, has forced the beginning of a real debate in the nation, and hopefully the rest of the world, on whether regulating CO<sub>2</sub> is a viable and necessary enterprise. It is important to discover CO<sub>2</sub>'s exact role in global warming, if man's activities plays any significant part in global warming, and whether the world is at a "tipping point" or not. What has become increasingly clear is the science is not settled on the issue of global warming and its supposed harm to the planet. This regulatory debate will help elected officials, policy makers, and citizens understand and decide if it is worth the trillions of dollars it will take to reduce CO<sub>2</sub> emissions with its resulting economic stagnation (if not depression) in order to lower earth's temperature by less than a degree Celsius.